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Subparagraph 12.1(f) of the Trust Agreement provides that a 'charitable organization' is an organization which at the time contemplated for an actual distribution to it is exempt from federal income taxation under § 501(a) as an organization described in § 501(c)(3) and also is described in all of §§ 170(c), 2055(a) and 2522(a).

A intends to exercise the limited power of appointment to cause the trustee of Trust to distribute part or all of the income of the Trust to one or more charitable organizations as defined in the Trust Agreement.

Section 642(c)(1) provides that in the case of an estate or trust (other than a trust meeting the specifications of subpart B of part I of subchapter J of chapter 1), there shall be allowed as a deduction in computing its taxable income (in lieu of the deduction allowed by § 170(a), relating to deduction for charitable, etc., contributions and gifts) any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, paid for a purpose specified in § 170(c) (determined without regard to § 170(c)(2)(A)).

Section 1.642(c)-1(a)(1) provides that any part of the gross income of an estate or trust which, pursuant to the terms of the governing instrument is paid (or treated under paragraph (b) of § 1.642-1 as paid) during the taxable year for a purpose specified in § 170(c) shall be allowed as a deduction to such estate or trust in lieu of the limited charitable contributions deduction authorized by § 170(a).

Based solely on the information submitted and the representations made, we conclude that a distribution of gross income from Trust to one or more charitable organizations made pursuant to A's limited power of appointment will be made "pursuant to the terms of the governing instrument" as provided in § 642(c)(1). Therefore, provided that the other requirements of § 642(c) are satisfied, such distribution from Trust will qualify for the charitable contribution deduction under § 642(c).

Except as specifically ruled above, we express no opinion concerning the federal tax consequences of the transactions described above under any other provisions of the Code. The ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent. Pursuant to a power of attorney on file, a copy of this letter is being sent to Trust's authorized representative.

Sincerely,

Bradford R. Poston
Senior Counsel, Branch 2
(Passthroughs & Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purpose